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Sen. App. CIASC File

THE PENTAGON'S 'BLACK FUNDS': While most of the uproar which followed President Johnson's announcement about the secret \$1 billion supersonic RS-71 plane came from Republicans who accused him of pulling an election year stunt, there were calmer, but more ominous issues raised in the Senate Appropriations Committee. Gordon Allott (R-Colo.) wondered how the Defense Department could tell the Committee that the military budget "is as tight as it can be, when somewhere there is hidden within it as much as \$1 billion for the development of this plane?" Allott found it embarrassing to learn that "\$1 billion has been hidden for the development of something which has never been mentioned or named." The "hidden \$1 billion" forced Senator Richard Russell (D-Ga.), Chairman of both the Armed Services Committee and the Defense Appropriations subcommittee, to reveal that the Defense budget has for some time contained hidden appropriations known as "black funds" earmarked for super-secret weapons. Only Senators Russell and Leverett Saltonstall (R-Mass.), ranking GOP member of the Armed Services and Appropriations Committees, have been privy to the existence of the "black funds" and the projects they have financed. (One such project was the U-2.) Russell pointed out that the \$1 billion had been spent over a period of five or six years and that if all Committee members had been informed word might have leaked out. Said Russell of his secret knowledge: "It has been a source of tremendous worry to me." Said Allott: "Every member of the Committee has a right to have knowledge of the facts."

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